

**MICHIGAN DEPARTMENT OF TRANSPORTATION  
Multi-Modal Transportation Services Bureau**

**REQUEST FOR PROPOSAL**

Air Service Consultant to the  
State of Michigan

*December 7, 2004*

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## **PART I – GENERAL INFORMATION**

### **I-A PURPOSE**

The purpose of this Request for Proposal (RFP) is to obtain proposals to provide assistance to the Multi-Modal Transportation Services Bureau (MMTSB) by providing technical support for policy and program development to promote quality air service to Michigan communities.

### **I-B ISSUING OFFICE**

This RFP is issued by the Michigan Department of Transportation, hereinafter known as MDOT.

### **I-C PROJECT MANAGER**

Acting as an agent for MDOT, the Project Manager is:

Mr. Matthew Brinker  
Air Service Specialist, Aviation Services Division  
MDOT Multi-Modal Transportation Services Bureau  
2700 East Airport Service Drive  
Lansing, Michigan 48906  
(517) 335-9918 telephone  
(517) 321-6422 fax  
brinkerm@michigan.gov

### **I-D INCURRING COSTS**

MDOT is not liable for any cost incurred by the contractor prior to signing of a contract by an MDOT representative authorized to bind the State of Michigan. The activities in the contract are estimated to cover a two-year period commencing in early May 2005.

### **I-E QUESTIONS**

Questions from vendors regarding this RFP must be submitted in writing no later than January 14, 2005 to Matthew Brinker, Project Manager (see paragraph I-C). These written questions and MDOT responses will be posted on the MDOT website, by January 28, 2005, at:

[http://www.michigan.gov/mdot/0,1607,7-151-9625\\_32842---,00.html](http://www.michigan.gov/mdot/0,1607,7-151-9625_32842---,00.html)

### **I-F PROPOSALS**

To be considered, each contractor must submit a complete response to this RFP using the format provided in Section III. No other distribution of proposals is to be made by the contractor. The proposal must be signed in ink by an official authorized to bind the

contractor to its provisions. The proposal must include a statement as to the period during which the proposal remains valid. This period must be at least sixty (60) days from the due date for proposals to this RFP (see paragraph III-F).

MDOT reserves the right to reject any and all proposals in their entirety for any reason.

I-G ORAL PRESENTATION

Contractors who submit proposals may be required to make oral presentation of their proposals. These presentations provide an opportunity for the contractors to clarify the proposals through mutual understanding. The Project Manager will schedule these presentations if required.

I-H ACCEPTANCE OF PROPOSAL CONTENT

The contents of this RFP, its attachments, and the proposal will become contractual obligations if a contract ensues. Failure of the successful contractor to accept these obligations may result in cancellation of a proposed contract.

MDOT further reserves the right to interview key personnel assigned by the successful contractor to this project and to recommend reassignment of personnel deemed unsatisfactory by the state.

I-I ECONOMY OF PREPARATION

Each proposal should be prepared simply and economically, providing a straightforward, concise description of the contractor's ability to be creative and to meet the requirements and objectives of the RFP. Elaborate bindings, colored displays, promotional material, etc., are neither required nor encouraged. Emphasis should be on completeness and clarity of content.

I-J PRIME CONTRACTOR RESPONSIBILITIES

The selected contractor will be required to assume responsibility for all services offered in its proposal whether or not the contractor produces them. Further, MDOT will consider the selected contractor to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the contract. If any part of the work is to be subcontracted, the prime contractor must provide complete description of work subcontracted and description information about the subcontractor's organization and capabilities. The contractor is totally responsible for adherence by the subcontractor to all provisions of the contract.

I-K NEWS RELEASE

News releases pertaining to this RFP or the services, study, data, or project to which it relates will not be made without prior written approval and then only in accordance with the instructions from the Project Manager.

## I-L SELECTION CRITERIA

Responses to this RFP will be evaluated based upon the following factors as presented in the contractor's submission:

### 1. Understanding of Service

This factor will be judged based upon a grasp of the material provided in the Work Statement section (Part II) of the proposal. (1 to 10 points)

### 2. Organization of Team

Based on the efficiency of team structure and expertise. (1 to 10 points)

### 3. Method of Approach

This factor will be judged based upon the Work Tasks (Section II-B) as provided in the proposal. (1 to 20 points)

### 4. Qualifications of Team Leader and Key Prime and Sub Vendor Staff

The written proposal should indicate competence of personnel whom the contractor intends to assign to the project. Qualifications will be measured by education, experience, and particular reference to work experience similar to that described in the RFP. Emphasis will be placed upon the qualifications of the contracting firm and the firm's experience undertaking similar work. (1 to 40 points)

### 5. Past Performance

Performance of the vendor as evaluated in past evaluations by MDOT (if applicable) and any references offered by vendor. (1 to 20 points)

### 6. Availability

This factor will be judged based on the contractor's accessibility and ability to devote full-time and/or concerted effort to the project. (1 to 20 points)

### 7. Price

This factor will be judged based on the components of costs and the maximization of no more than \$95,000 to obtain the project objectives within the time frames outlined herein. (1 to 10 points)

## I-M INDEPENDENT PRICE DETERMINATION

1. By submission of a proposal, the contractor certifies and, in the case of a joint proposal, each party thereto certifies as to its own organization, that in connection with this proposal:
  - a. The prices in the proposal have been arrived at independently without consultation, communication, or agreement for the purpose of restricting competition as to any matter relating to such prices with any other contractor or with any competitor.
  - b. Unless otherwise required by law, the prices that have been quoted in the proposal have not been knowingly disclosed by the contractor prior to award directly or indirectly to any other contractor or to any competitor.
  - c. No attempt has been made or will be made by the contractor to induce any other person or firm to submit or not submit a proposal for the purpose of restricting competition.
2. Each person signing the proposal certifies that she/he:
  - a. Is the person in the contractor's organization responsible within that organization for the decision as to the prices being offered in the proposal and has not participated (and will not participate) in any action contrary to 1.a., b., and c. above.
  - b. Is not the person within the contractor's organization responsible for the decision as to the prices being offered in the proposal but has been authorized, in writing, to act as agent for the persons responsible for such decision and certifying that such persons have not participated (and will not participate) in any action contrary to 1.a, b., and c. above.
3. A proposal will not be considered for award if the sense of the statement required in the cost and price analysis portion of the proposal (see Part III-D, item 7) has been altered to delete or modify 1.a, b., or c. above. If 1.b. has been modified or deleted, the proposal will not be considered for award unless the contractor furnishes with the proposal a signed statement that sets forth, in detail, circumstances of the disclosure, and the issuing office determines that such disclosure was not made for the purpose of restricting competition.

#### I-N CHANGES IN THE RFP

Changes made to the RFP as the result of response made to questions or through correspondence will be posted on MDOT's website:

[http://www.michigan.gov/mdot/0,1607,7-151-9625\\_32842---,00.html](http://www.michigan.gov/mdot/0,1607,7-151-9625_32842---,00.html).

The Project Manager may not be able to respond to telephone inquiries regarding the RFP.

I-O SEALED PROPOSAL RECEIPT

Proposals must arrive at the MDOT Multi-Modal Transportation Services Bureau, 2700 East Airport Service Drive, Lansing, Michigan 48906 on or before the date specified in this RFP (see paragraph III-F). The contractor is responsible for timely receipt of their proposal to the Project Manager. Late proposals will not be considered.

I-P DISCLOSURE

All information in a contractor's proposal is subject to disclosure under the provisions of Public Act No. 442 of 1976 known as the "Freedom of Information Act". This act also provides for the complete disclosure of contracts and attachments thereto.

All responses shall remain confidential until opening of sealed proposals by the issuing office on the date and time noted in this RFP. Thereafter, all responses shall be available for public inspection excepting those portions the contractor has identified to be trade secrets, proprietary information, and/or security matters. MDOT will honor a promise of confidentiality and will claim an exemption of such materials in the event of a Freedom of Information Act request, but contractors are cautioned concerning the restrictive interpretation of the Freedom of Information Act imposed by the Michigan Court of Appeals. Therefore, contractors are to identify these portions by marking "Confidential" on each page containing confidential information.

I-Q TYPE OF CONTRACT

Any contractual agreement resulting from this RFP and a proposal submitted by a contractor will be of an actual cost subject to a fixed maximum, a cost plus a fixed fee type agreement.

I-R LENGTH OF CONTRACT

While individual projects will be completed in phases with completion dates designated by the Project Manager, all contract work shall be completed no later than twenty-four (24) months after execution of the contract.

I-S CONTRACT PAYMENT SCHEDULE

Payment schedules for any contracts entered in to as the result of this RFP will be mutually agreed upon by the Project Manager and the contractor. The schedule should show both payment amount and percentage and should reflect actual work done by the payment dates. Ten (10) percent of the proposal total should remain for final payment, pending an audit.

I-T CONTRACT EXTENSION

MDOT reserves the right to extend this contract to be mutually negotiated at a reasonable time (30 days) prior to expiration. Any extension is to be agreeable to both MDOT and contractor and will be by written amendment to the contract.

I-U ACCOUNTING RECORDS

The contractor will be required to maintain all pertinent financial and accounting records and evidence pertaining to the contract in accordance with general accepted principles of accounting and other procedures specified by MDOT. Financial and accounting records shall be made available, upon request, to MDOT or its designees, anytime during the contract period and any extension thereof, and for three (3) years after the expiration date and final payment on the contract or extension thereof.



#### I-V COST LIABILITY

MDOT assumes no responsibility or liability for costs incurred by the contractor prior to the signing of an agreement. Total liability of MDOT is limited to the terms and conditions of any contract resulting from this RFP.

#### I-W INDEMNIFICATION

The contractor shall indemnify and hold harmless MDOT and the Project Manager, its agents and employees from and against all claims, damages, losses, and expenses, including attorney's fees, arising out of or resulting from the performance of the work, which includes all labor, material, and equipment required to produce the service required by the contract, provided that any such claim, damage, loss, or expense (1) is attributable to bodily injury, sickness, disease, or death, or to injury to or destruction of tangible property (other than the work itself), including the loss of use resulting thereof and (2) is caused in whole or in part by any negligent act or omission of the contractor, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, regardless of whether or not it is caused in part by a party indemnified hereunder.

In any and all claims against MDOT or any of its agents or employees by any employee of the contractor, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the indemnification obligation under this indemnification agreement shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for the contractor or any subcontractor under worker's compensation acts, disability benefit acts, or other employee benefits acts.

The obligations of the contractor under this indemnification agreement shall not extend the liability of MDOT, its agents, or employees arising out of, giving of, or provided such giving or failure to give is the primary cause of the injury or damage.

#### I-X CANCELLATION

CANCELLATION OF CONTRACT by MDOT may be for default by the contractor. Default is defined as the failure, quantitative or qualitative, of the contractor to fulfill the obligations of its quotation and/or contract. In case of default by the contractor, MDOT may cancel the contract immediately and procure services from other sources and hold the contractor responsible for any excess costs occasioned thereby. In the event MDOT no longer needs the service due to program changes, change in laws, rules or regulations, relocation of offices, or lack of funding, it may cancel the contract by giving the contractor written notice of such cancellation thirty (30) days prior to the date of cancellation.

## **I-Y    MINORITY BUSINESS ENTERPRISE**

The contractor is encouraged to utilize Minority Business Enterprises (MBE), Women Business Enterprises (WBE) and Disadvantaged Business Enterprises (DBE) in any of its subcontracting activities.

The contractor assures that it will undertake an affirmative action program to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in this contract. The contractor assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this contract. The contractor assures that it will require that its sub-organizations provide assurances to the contractor that they similarly will undertake affirmative action programs and that they will require assurances from their sub-organizations.

## **PART II – WORK SCOPE**

### **II-A    PROBLEM STATEMENT**

As a result of increasing consolidation in the airline industry, small communities struggle to retain air service that provides adequate access to the national air transportation system. The lingering effects of airline deregulation have contributed to service reductions, use of smaller turboprop aircraft, and lower flight frequency at many of Michigan's smaller air service airports.

“Essential Air Service (EAS)”, a program created under the Airline Deregulation Act, was intended to ensure continued air service at smaller communities. However, under its present structure, EAS fails to accomplish its intent. The smallest EAS airports have as few as two daily round trips which are often poorly-timed. The result is a level of service that is, at best, inconvenient and, at worst, unusable. This situation causes lack of ridership and has a negative impact on the ability of service to become self-supportive.

The increased competition among airports for a limited amount of new airline routes creates a challenge to many Michigan airports. A major issue is the ability of smaller airports to differentiate themselves from others in order to secure additional flight frequencies or service to new hubs. Contributing to this problem, smaller airports often lack the resources to conduct detailed market analyses to document existing and forecast air service demand.

To address these issues, the MMTSB believes that Congress needs to modify the EAS program to require quality service at these EAS communities with the ultimate goal of self-sufficiency at as many airports as possible. Also, programs such as the Small Community Air Service Development Program should be expanded and adequately funded to allow more communities to participate.

In summary, goals of the contract are to secure technical expertise to address air service issues faced by small communities. This includes strategy development for addressing

the shortcomings of the EAS and SCASD programs as well as conducting technical analyses to improve local, regional, and/or statewide air service development efforts.

## II-B WORK TASKS

The projected starting date for this service is early May 2005. The contractor is invited to respond to this RFP by stating in their proposal how they would assist the MMTSB by providing technical support for policy and program development to address the problems as stated above.

### Deliverable Products

At the request of MMTSB, the contractor would:

1. Develop technical reports and strategy recommendations for MMTSB on subjects which may include but are not limited to:

- Long-term feasibility of existing air service improvement/preservation programs such as the Essential Air Service and the Small Community Air Service Development (SCASD) Programs
- Alternatives to EAS and SCASD for Michigan airports
- USDOT efforts to control or limit access to High Density Airports

2. Provide up to ten (10) local, regional, and/or statewide market analyses to:

- Document existing service levels by seat capacity and routes/hubs served
- Determine current and future air service demand
- Identify air service shortcomings compared to other, similar sized markets
- Recommend air service development and improvement strategies
- Quantify passenger perception of air service needs and issues through surveys or other data gathering methods

3. Participate in strategy sessions with appropriate officials of MMTSB and other organizations and agencies as directed by MMTSB.

4. Contractor may be required to make up to four (4) trips to Lansing, Michigan to review project progress with the MMTSB staff and/or the Project Manager.

5. Contractor may be required to travel to Michigan Airports to discuss market analyses and air service improvement strategies.

## II-C PROJECT CONTROL AND REPORTS

### 1. Project Control

- a. The contractor will carry out this project under the direction and control of the Project Manager.
- b. Work tasks will be completed in phases throughout the contract period. Within ten (10) working days after notification by the Project Manager, the contractor will submit for approval, a work plan which includes the following:
  - 1) The contractor's project organization structure
  - 2) The contractor's detailed man hour table with names and title of all personnel assigned to the project
  - 3) The project breakdown showing sub-projects, activities and tasks, and resources required and allocated to each
  - 4) The time-phases plan analysis for completing the project
- c. Although there will be continuous liaison with the contract team, MDOT's Project Manager will meet or discuss by telephone on a monthly basis as a minimum with the contractor's project manager for the purpose of reviewing progress and providing necessary guidance to the contractor in solving problems which arise.
- d. The contractor will submit a written letter monthly with summaries of progress which outlined the work accomplished during the reporting period; work to be accomplished during the subsequent report period; problems; real or anticipated, which should be brought to the attention of MDOT's Project Manager; and notification of any significant deviation from previously agreed-upon work plans.

## PART III – INFORMATION REQUIRED FROM CONTRACTORS

### III-A BUSINESS ORGANIZATION

State the full name and address of your organization and, if applicable, the branch office or other subordinate element that will perform or assist in performing the work hereunder. Indicate whether it operates as an individual, partnership, or corporation; if as a corporation, include the state in which it is incorporated.

### III-B STATEMENT OF THE PROBLEM

State in succinct terms your understanding of the problem presented by this RFP, and approach to addressing the work tasks of the RFP.

### III-C MANAGEMENT SUMMARY

1. Narrative

Include a narrative summary description of the proposed effort and of the product(s) and/or service(s) that will be delivered. If any support must be provided by a subcontractor, said subcontractors must indicate their capability and willingness to carry out the work. In addition, the information requested in III-A above must be provided for each potential subcontractor.

2. Strategic Work Plan

Provide a strategic plan for accomplishing the work. Indicate the number of person hours allocated to each part of the plan.

3. Prior Experience

Insert the types of services or experiences that are desired or are considered essential to produce a product which will satisfy the requirements of this plan.

Proposals submitted should include, in this section, descriptions of qualifying experience for implementing the plan (also include the name, address, and phone number of the responsible official of the client organization who may be contacted).

4. Manpower

The consulting firm must be able to staff a project team which possesses talent and expertise in airline industry dynamics as well as federal and non-federal air service development programs. Include the number of executive and professional personnel by skill and qualification that will be employed in the work. Show where these personnel will be physically located during the time they are engaged in the work. Indicate which of these individuals you consider key to the successful completion of the project. Identify key individuals by name and title.

Resumes of key individuals are required.

### III-D PRICE PROPOSAL

The information requested in this section is required to support your quotation. This portion of the proposal must be bound and sealed separately from the remainder of the proposal. Use the format below:

1. Manpower Costs- Itemize so as to show the following for each category of personnel with a different rate per hour:
  - a. Category; e.g., project manager, senior analyst, etc.
  - b. Estimated hours

- c. Rate per hour
- d. Total cost for each category and for all manpower needs
- 2. Cost of Supplies and Materials – Itemize
- 3. Other Direct Costs – Itemize
- 4. General and Administrative Burden or Overhead- Indicate percentage and total
- 5. Transportation Costs- Show travel costs and per diem separately
- 6. Fixed Fee- Based upon the proportion of work actually performed
- 7. Total Price for Project
- 8. Independent Price Determination- Include a signed statement substantially as follows:

“This cost and price analysis is submitted in full compliance with the provisions of the paragraph titled ‘Independent Price Determination’ in Part I of the RFP to which this proposal is a response”

### III-E AUTHORIZED NEGOTIATOR

Include the name and phone number of person(s) in your organization authorized to negotiate/expend the proposed contract with MDOT.

### III-F ADDITIONAL INFORMATION AND COMMENTS

Include any other information that is believed to be pertinent but not specifically asked for elsewhere in this RFP.

Five (5) copies of the proposal must be received by 5:00 p.m. EDT on March 1, 2005 at the following address:

Mr. Matthew Brinker  
Air Service Specialist, Aviation Services Division  
MDOT Multi-Modal Transportation Services Bureau  
2700 East Airport Service Drive  
Lansing, Michigan 48906-2160